

A G E N D A



Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:	9084	Agenda Number	46.
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Meeting Date:	August 25, 2011
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Department:	Purchasing
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Subject

Authorize award, negotiation, and execution of a 48-month revenue share contract with IMAGE MICRO SYSTEMS, Austin, TX, or one of the other qualified offerors to RFP No. CB30021, for citywide use, for the recycling of computer equipment and other media with options to extend for two additional 12-month periods.

Amount and Source of Funding

No city funding required; revenue share contract. Revenue will be included in the Fiscal Year received.

Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

Purchasing Language:	Best evaluated proposal of four proposals received.
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Prior Council Action:	
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For More Information:	Cruz Banda, Buyer II /974-2133
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Boards and Commission Action:	
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MBE / WBE:	This contract will be awarded in compliance with Chapter 2-9C of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.
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Related Items:	
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Additional Backup Information

The contract with Image Micro Systems provides for the disposal of, and potential revenue from the sale of electronic waste, including computer hardware and various forms of media. Image Micro Systems will be responsible for refurbishing, reselling, recycling and disposal of computers, monitors and other peripherals (e-waste) and for the disposal of other media such as compact discs (CDs), digital video disks/digital versatile disks (DVD), video home systems (VHS), video cassette records (VCR), vinyl records and books (paperback and hardback).

The City replaces end-of-life computers, monitors, peripherals and other electronic equipment and media. It is estimated that approximately 9200 computers will need to be recycled in the next 48 months. The equipment and media must be recycled in a manner that meets all applicable federal, state, and local laws and regulations, as well as in a manner that is environmentally preferable. Recognizing that the potential exists for the resale of some equipment, the reclamation of valuable materials from electronic equipment, and the overall sale of scrap materials, the City developed a specification for these services which are best accomplished by means of a revenue sharing contract.

Image Micro Systems will perform all services as requested by the City including pick up, handling, packing, transportation, refurbishing, reselling, destruction, disposal, and recycling e-waste. The Contractor will also manifest materials to comply with and satisfy Federal, State and local laws and regulations and will provide a Data Erasure Certification for all units to be reused/resold.

Image Micro Systems proposes to pay the City 70% of the net profits for all items sold and materials recycled. Net profits shall be determined as follows: final sales price minus pickup, labor, freight, processing, repair, and warehousing costs will equal the net profit. Estimated revenue for all years of the contract based on current market prices for the sale of refurbished units is \$128,000. Estimated revenue for all years of the contract based on current market prices for recycled metals and plastics is \$4,368 for a total revenue estimate of \$132,368 for all years. Under the current contract the City paid the contractor \$2,475.31 for the period of July 1, 2010 to June 30, 2011 for the disposal of retired computer equipment.

An evaluation team of City of Austin employees with IT Recycling expertise evaluated and chose this proposal as the best to provide these IT Recycling services. Evaluation criteria included: Revenue Share Proposal, Electronics Management Plan, Company Experience, References, Commitment to reuse/resell/refurbish/recover/recycle and Objective and Scope of Work.

This request allows for the development of an agreement with a qualified offeror that Council selects. If the City is unsuccessful in negotiating a satisfactory agreement with the selected offeror, negotiations will cease with that offeror. Staff will return to Council so that Council may select another qualified offeror and authorize contract negotiations with that offeror.